

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

April 30, 2020

Company name: Aica Kogyo Company, Limited
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4206 URL <http://www.aica.co.jp>
 Representative: President Yuji Ono
 General Manager, Financial Management
 Inquiries: Department Yousuke Mori TEL 052-533-3135
 Scheduled date of ordinary general meeting of shareholders: June 23, 2020
 Scheduled date to file Securities Report: June 24, 2020
 Scheduled date to commence dividend payments: June 24, 2020
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2020	191,501	0.1	20,850	0.1	21,333	0.4	12,732	(4.4)
Year ended March 31, 2019	191,363	16.9	20,834	9.1	21,249	8.4	13,316	11.0

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2020	195.01	194.93	9.9	10.8	10.9
Year ended March 31, 2019	203.95	203.86	10.7	11.2	10.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	203,626	144,414	63.9	1,994.03
As of March 31, 2019	191,025	136,116	66.2	1,936.87

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	18,240	(16,798)	(6,210)	40,644
Year ended March 31, 2019	13,275	(8,147)	(7,557)	45,379

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	–	47.00	–	56.00	103.00	6,725	50.5	5.4
Year ended March 31, 2020	–	49.00	–	57.00	106.00	6,921	54.4	5.4
Year ending March 31, 2021 (Forecast)	–	–	–	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020
 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2020	67,590,664 shares	As of March 31, 2019	67,590,664 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	2,296,827 shares	As of March 31, 2019	2,296,226 shares
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Average number of shares during the period

Year ended March 31, 2020	65,294,096 shares	Year ended March 31, 2019	65,292,502 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	45,587	40,690
Notes and accounts receivable - trade	60,309	61,691
Merchandise and finished goods	9,791	10,153
Work in process	1,004	1,132
Raw materials and supplies	7,446	8,098
Other	6,162	8,002
Allowance for doubtful accounts	(413)	(620)
Total current assets	129,888	129,148
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,115	39,693
Accumulated depreciation	(23,975)	(25,946)
Buildings and structures, net	12,140	13,746
Machinery, equipment and vehicles	54,205	60,551
Accumulated depreciation	(44,169)	(47,436)
Machinery, equipment and vehicles, net	10,035	13,115
Tools, furniture and fixtures	10,241	11,387
Accumulated depreciation	(8,349)	(9,270)
Tools, furniture and fixtures, net	1,891	2,116
Land	13,816	14,530
Leased assets	294	846
Accumulated depreciation	(194)	(350)
Leased assets, net	99	496
Construction in progress	2,966	1,504
Total property, plant and equipment	40,949	45,509
Intangible assets		
Goodwill	319	6,352
Other	2,784	7,518
Total intangible assets	3,104	13,870
Investments and other assets		
Investment securities	14,828	12,523
Deferred tax assets	440	449
Retirement benefit asset	534	251
Other	1,292	1,883
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	17,082	15,096
Total non-current assets	61,136	74,477
Total assets	191,025	203,626

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,332	24,799
Electronically recorded obligations - operating	6,188	5,207
Short-term borrowings	4,556	5,947
Income taxes payable	2,694	3,616
Accrued consumption taxes	222	915
Provision for bonuses	1,833	1,957
Other	6,425	9,124
Total current liabilities	48,254	51,568
Non-current liabilities		
Long-term borrowings	432	914
Deferred tax liabilities	3,023	2,891
Retirement benefit liability	1,296	1,476
Other	1,902	2,361
Total non-current liabilities	6,655	7,643
Total liabilities	54,909	59,212
Net assets		
Shareholders' equity		
Share capital	9,891	9,891
Capital surplus	13,279	13,276
Retained earnings	100,739	106,786
Treasury shares	(2,007)	(2,009)
Total shareholders' equity	121,904	127,945
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,307	2,743
Deferred gains or losses on hedges	(5)	16
Foreign currency translation adjustment	60	(474)
Remeasurements of defined benefit plans	199	(33)
Total accumulated other comprehensive income	4,562	2,252
Share acquisition rights	27	27
Non-controlling interests	9,622	14,188
Total net assets	136,116	144,414
Total liabilities and net assets	191,025	203,626

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	191,363	191,501
Cost of sales	141,856	139,564
Gross profit	49,506	51,936
Selling, general and administrative expenses		
Packing and transportation costs	8,532	8,985
Advertising expenses	1,720	1,819
Salaries and bonuses	7,938	8,633
Provision for bonuses	935	949
Retirement benefit expenses	249	350
Welfare expenses	1,671	1,728
Depreciation	927	1,102
Rent expenses	682	703
Other	6,013	6,812
Total selling, general and administrative expenses	28,672	31,085
Operating profit	20,834	20,850
Non-operating income		
Interest income	178	172
Dividend income	365	371
Gain on sales of investment securities	58	216
Other	676	685
Total non-operating income	1,279	1,446
Non-operating expenses		
Interest expenses	103	125
Sales discounts	133	136
Compensation for delayed delivery	–	283
Loss on disposal of non-current assets	146	93
Other	481	325
Total non-operating expenses	864	963
Ordinary profit	21,249	21,333
Extraordinary income		
Insurance claim income	282	522
Total extraordinary income	282	522
Extraordinary losses		
Loss on disaster	221	500
Total extraordinary losses	221	500
Profit before income taxes	21,310	21,355
Income taxes - current	6,614	7,047
Income taxes - deferred	243	140
Total income taxes	6,857	7,187
Profit	14,452	14,167
Profit attributable to non-controlling interests	1,136	1,434
Profit attributable to owners of parent	13,316	12,732

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	14,452	14,167
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,094)	(1,564)
Deferred gains or losses on hedges	(1)	22
Foreign currency translation adjustment	(2,581)	(293)
Remeasurements of defined benefit plans, net of tax	(43)	(232)
Share of other comprehensive income of entities accounted for using equity method	(47)	(101)
Total other comprehensive income	(3,768)	(2,169)
Comprehensive income	10,684	11,998
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,049	10,423
Comprehensive income attributable to non-controlling interests	634	1,574

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,891	13,279	93,756	(2,011)	114,917
Changes during period					
Dividends of surplus			(6,333)		(6,333)
Profit attributable to owners of parent			13,316		13,316
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		1		8	9
Change in ownership interest of parent due to transactions with non-controlling interests		(1)			(1)
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	6,983	3	6,987
Balance at end of period	9,891	13,279	100,739	(2,007)	121,904

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	5,402	(4)	2,187	243	7,828
Changes during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Disposal of treasury shares					
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity	(1,094)	(1)	(2,127)	(43)	(3,266)
Total changes during period	(1,094)	(1)	(2,127)	(43)	(3,266)
Balance at end of period	4,307	(5)	60	199	4,562

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	36	9,833	132,616
Changes during period			
Dividends of surplus			(6,333)
Profit attributable to owners of parent			13,316
Purchase of treasury shares			(4)
Disposal of treasury shares			9
Change in ownership interest of parent due to transactions with non-controlling interests			(1)
Net changes in items other than shareholders' equity	(9)	(211)	(3,487)
Total changes during period	(9)	(211)	3,499
Balance at end of period	27	9,622	136,116

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,891	13,279	100,739	(2,007)	121,904
Changes during period					
Dividends of surplus			(6,855)		(6,855)
Profit attributable to owners of parent			12,732		12,732
Purchase of treasury shares				(2)	(2)
Change in scope of consolidation			169		169
Change in ownership interest of parent due to transactions with non-controlling interests		(3)			(3)
Net changes in items other than shareholders' equity					
Total changes during period	–	(3)	6,046	(2)	6,041
Balance at end of period	9,891	13,276	106,786	(2,009)	127,945

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	4,307	(5)	60	199	4,562
Changes during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Change in scope of consolidation					
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity	(1,564)	22	(534)	(232)	(2,309)
Total changes during period	(1,564)	22	(534)	(232)	(2,309)
Balance at end of period	2,743	16	(474)	(33)	2,252

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	27	9,622	136,116
Changes during period			
Dividends of surplus			(6,855)
Profit attributable to owners of parent			12,732
Purchase of treasury shares			(2)
Change in scope of consolidation			169
Change in ownership interest of parent due to transactions with non-controlling interests			(3)
Net changes in items other than shareholders' equity	–	4,566	2,256
Total changes during period	–	4,566	8,298
Balance at end of period	27	14,188	144,414

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	21,310	21,355
Depreciation	4,207	4,664
Increase (decrease) in allowance for doubtful accounts	233	197
Increase (decrease) in provision for bonuses	80	21
Increase (decrease) in retirement benefit liability	(81)	172
Interest and dividend income	(544)	(543)
Interest expenses	103	125
Decrease (increase) in trade receivables	(1,742)	178
Decrease (increase) in inventories	(2,710)	659
Decrease (increase) in other current assets	(108)	(237)
Increase (decrease) in trade payables	785	(3,669)
Increase (decrease) in other current liabilities	(1,714)	1,327
Other, net	24	(268)
Subtotal	19,843	23,981
Interest and dividends received	571	552
Interest paid	(102)	(126)
Income taxes paid	(7,037)	(6,167)
Net cash provided by (used in) operating activities	13,275	18,240
Cash flows from investing activities		
Payments into time deposits	(161)	(21)
Proceeds from withdrawal of time deposits	578	190
Purchase of property, plant and equipment	(7,019)	(5,401)
Purchase of intangible assets	(571)	(2,766)
Purchase of investment securities	(266)	(612)
Proceeds from sales of investment securities	251	737
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(7,033)
Purchase of shares of subsidiaries and associates	–	(29)
Other, net	(958)	(1,859)
Net cash provided by (used in) investing activities	(8,147)	(16,798)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	198	1,439
Repayments of long-term borrowings	(311)	(305)
Proceeds from long-term borrowings	–	823
Dividends paid	(6,328)	(6,850)
Dividends paid to non-controlling interests	(822)	(879)
Repayments of lease obligations	(56)	(171)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(231)	(264)
Other, net	(4)	(2)
Net cash provided by (used in) financing activities	(7,557)	(6,210)
Effect of exchange rate change on cash and cash equivalents	(1,087)	(100)
Net increase (decrease) in cash and cash equivalents	(3,516)	(4,869)
Cash and cash equivalents at beginning of period	48,896	45,379
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	133
Cash and cash equivalents at end of period	45,379	40,644

Support Data for the Summary of Consolidated
Financial Results for
the Year Ended March 31, 2020

Challenge & Creation

April 30, 2020

AICA KOGYO CO., LTD

1. Summary of consolidated financial results for the year ended March 31, 2020



[Millions of yen]

	FY Mar/2019		FY Mar/2020				
	Results	Profit margin	Budget	Results	Profit margin	Growth Rate	Achievement Rate
Net Sales	191,363	-	195,000	191,501	-	0.1%	98.2%
Operating Profit	20,834	10.9%	21,800	20,850	10.9%	0.1%	95.6%
Ordinary Profit	21,249	11.1%	22,000	21,333	11.1%	0.4%	97.0%
Net Income *	13,316	7.0%	13,800	12,732	6.6%	▲ 4.4%	92.3%

* Profit attributable to owners of parent

[Unit per share: Yen]

ROE	10.7%	-	10.6%	9.9%	-	-	93.4%
Earnings per share	203.95	-	211.35	195.01	-	-	92.3%
Net assets per share	1,936.87	-	2,043.22	1,994.03	-	-	97.6%

Growth Percent :

Net Sales	+0.1%	Increased 10 consecutive accounting year
Operating Profit	+0.1%	Increased 11 consecutive accounting year
Ordinary Profit	+0.4%	Increased 11 consecutive accounting year

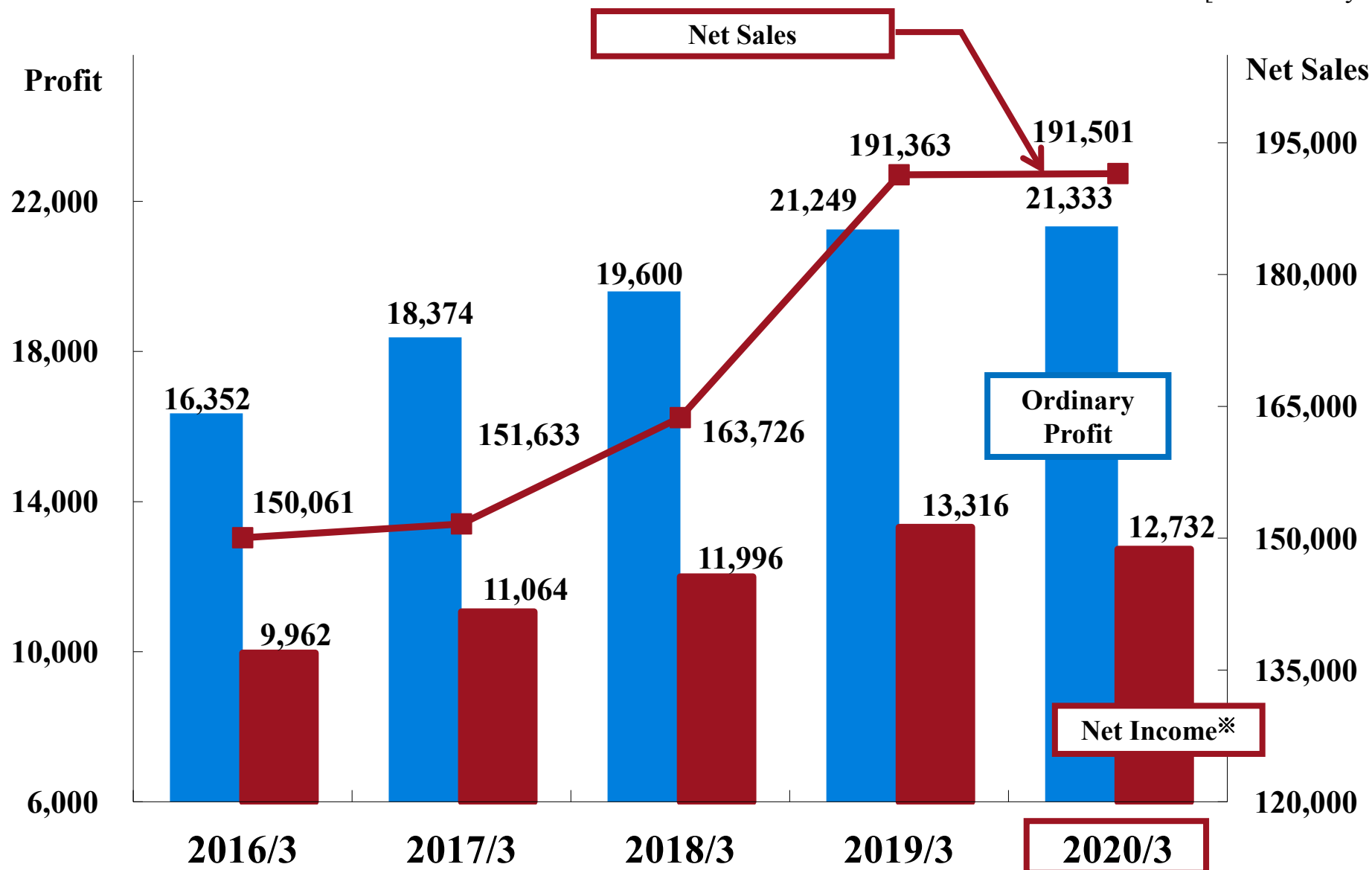
Net Sales, Operating profit, Ordinary profit

; Reached a record high for the **8**th year in a row.

- **Domestic Operations :** Construction materials segment contribute to sales growth.
Chemicals segment contribute to profit growth due to lower raw material prices.
- **Overseas Operations :** AICA Asia Pacific Holding (AAP) and Evermore Chemical Industry (EMC) are increases in sales and decrease in profits due to decline raw material prices.
As a result of the consolidation of Sois Mendinni and the expansion of existing businesses, HPL sales in Asian markets increase.

3. Historical consolidated results for the year ended March 31, 2020

[Millions of yen]



※Profit attributable to owners of parent.

4. Sales result at the year ended March 31, 2020 and the breakdown by business segment

[Millions of yen]

	Net Sales			Operating Profit			
	FY Mar/2019	FY Mar/2020	Difference	FY Mar/2019	FY Mar/2020	Difference	
Chemical Products	109,062	103,945	▲ 5,117	7,444	8,123	679	Amount
				6.8%	7.8%	1.0%	Profit margin
Construction Materials	82,300	87,555	5,255	16,169	15,874	▲ 295	Amount
				19.6%	18.1%	▲ 1.5%	Profit margin
(Non-allocation operating expenses→)				▲ 2,779	▲ 3,147	▲ 367	Amount
TOTAL	191,363	191,501	137	20,834	20,850	16	Amount
				10.9%	10.9%	0.0%	Profit margin



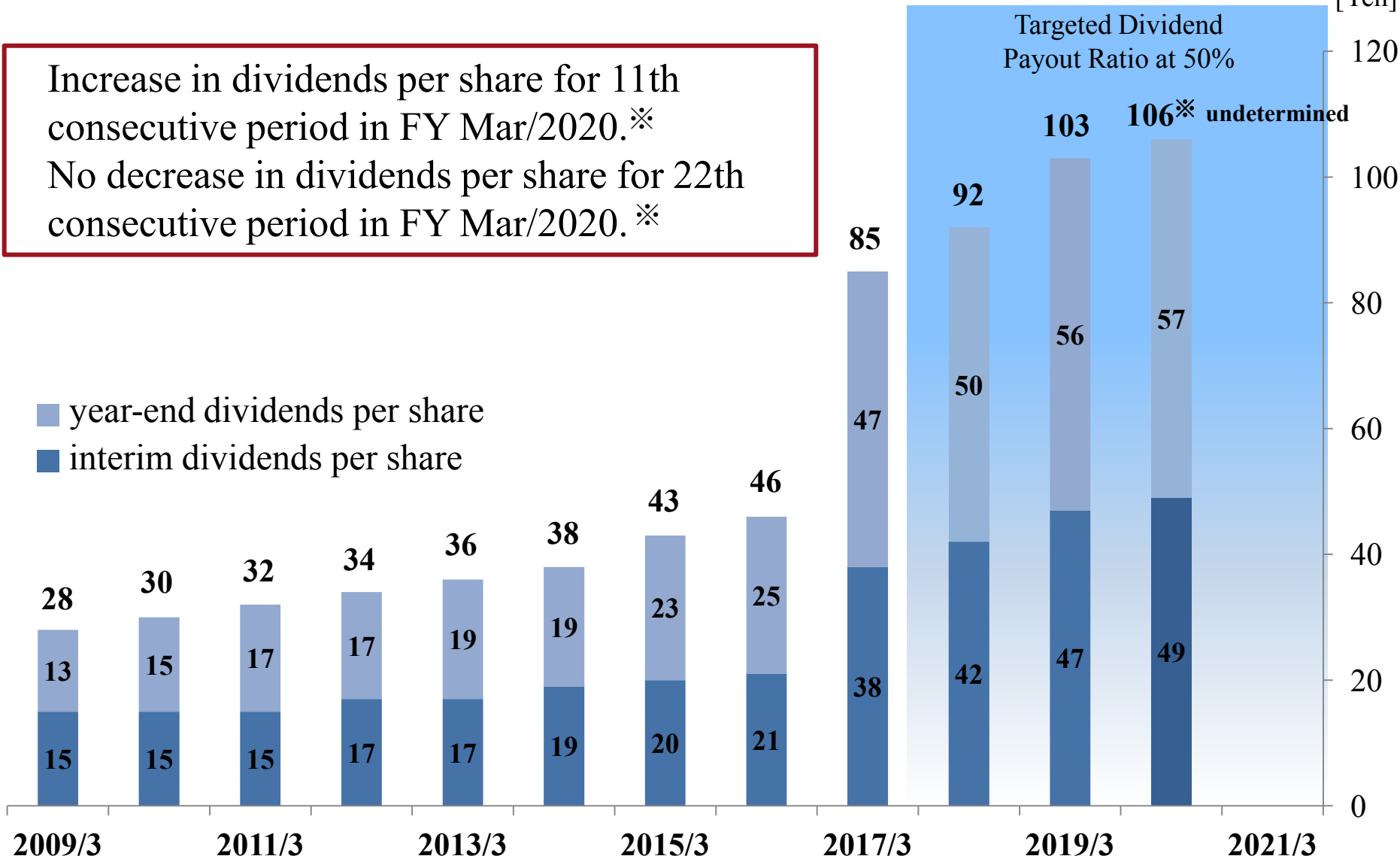
The forecast financial results for the FY March 31, 2021 are currently undetermined.

[Billions of yen]

	1st year	2nd year	3rd year	4th year	4th year
	FY Mar/2018 (Results)	FY Mar/2019 (Results)	FY Mar/2020 (Results)	FY Mar/2021 (Budget)	FY Mar/2021 (Original Budget)
Net sales	163.7	191.3	191.5	undetermined	200.0
Ordinary Profit	19.6	21.2	21.3	undetermined	22.0
ROE	10.1%	10.7%	9.9%	undetermined	Over 10%
Overseas Sales Ratio	33.4%	42.0%	40.7%	undetermined	Over 35%

[Yen]

Increase in dividends per share for 11th consecutive period in FY Mar/2020.※
 No decrease in dividends per share for 22th consecutive period in FY Mar/2020. ※



■ year-end dividends per share
 ■ interim dividends per share

※ formally decide at the Annual General Meeting of Shareholders.

【Appendix】 Chemical Products Segment : Sales Breakdown by Product



[Billions of yen]

	FY Mar/2019	FY Mar/2020			
	Results	Budget	Results	Achivement Rate	Growth Rate
Adhesive	65.92	67.00	63.64	95.0%	▲ 3.5%
AAP ^(*)	52.11	53.00	49.80	94.0%	▲ 4.4%
Construction Resin	9.58	9.80	9.38	95.7%	▲ 2.1%
Speciality & Performance materials	23.16	21.70	20.70	95.4%	▲ 10.6%
Others	10.39	10.20	10.21	100.1%	▲ 1.7%
Total	109.06	108.70	103.94	95.6%	▲ 4.7%

(*)AAP: AICA Asia Pacific Holding Pte. Ltd. (Singapore)

【Appendix】 Construction Materials Segment : Sales Breakdown by Product

[Billions of yen]

	FY Mar/2019	FY Mar/2020			
	Results	Budget	Results	Achivement Rate	Growth Rate
Melamine Decorative Laminated Sheets (HPL)	17.34	20.20	19.51	96.6%	12.5%
Decorative Polyester Boards, Decorative Films, etc	13.73	13.20	13.17	99.8%	▲ 4.1%
Melamine Noncombustible Decorative Panel "Cerarl"	19.70	20.90	21.00	100.5%	6.6%
Noncombustible Decorative Panel (Except "Cerarl")	9.74	10.00	11.53	115.4%	18.3%
Counterstops, Postforming products	16.35	16.90	16.95	100.3%	3.7%
Fittings, Interior Housing Materials	5.41	5.10	5.37	105.4%	▲ 0.8%
TOTAL	82.30	86.30	87.55	101.5%	6.4%

■ In Japan

As of April 30, 2020

Operation; We are continuing our sales activities by taking measures such as staggered working hours, distributed work, and remote work to reduce the risk of infection.

Production; All plants are normally in operation with measures to reduce contact between employees, prohibit visitors, and commute by car.

Raw material procurement ; There is no major problem at this time thanks to dual vender strategy as a part of BCP.

Overseas

As of April 30, 2020

Operation ; We are continuing our sales activities by taking measures such as remote work to reduce the risk of infection.

Production ; January and February ; 6 plants in China were shut down, but are now in operation.
End of March ; 1 plant in Thailand was shut down, but now are in operation.
March and April ; 2 plants in New Zealand and 1 plant in India were shut down, but now are in operation.
April ; 2 plants in Indonesia were shut down, but now are in operation.
As of April 30, all 31 plants are in operation.

Raw material procurement ; There are no major problems at this time.

Transition of Chinese bases.

Chun Jie holidays scheduled until the end of January were extended until February 9th, and operation was suspended.

After the Chun Jie holidays, the operation of major plants were gradually approved by the authorities. The first plant of AICA group restarted operation on February 4th. Next 4 plants restarted operation on February 10th and one plant on February 29th. In February, operation of AICA group in China declined by about 30%.

In March, operation in China declined by about 20%. It is operating as usual in April.

■ Investor Relations Sessions

For coronavirus measures, we plan to distribute online IR briefings (with QA) for institutional investors and analysts by the president and directors in charge.

Details will be posted on the AICA website.

<http://www.aica.co.jp/company/ir/>

Schedule: May 19th, 2020 (Tue), 15:00



The matters such as current plan, prospect, strategy, or conviction which indicated in this report but not historical fact are only the expectation of the future achievement, and there are the risks or unexpected factors.

This information has made based on the judgment of the manager of Aica Kogyo Co., Ltd. using current available information. The actual result can be difference from the current prospect because of various important elements, so please avoid depending on fully to only this prospect.

This document is not a thing for investment inducement. We request that the decision about the investment will be performed by the judgment of each user.